

Cook County Health & Hospitals System

Board of Directors Meeting November 2018

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CFO



COOK COUNTY HEALTH
& HOSPITALS SYSTEM
CC+HHS

Systems-wide Financial Statements



COOK COUNTY HEALTH
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CC+HS

Income Statement for the 10 Months ended Sept 2018 (in thousands)

	Year-To-Date		Variance	
	<i>Actual</i>	<i>Budget</i>	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	523,079	549,167	(26,088)	-5%
CountyCare Capitation Revenue	1,583,958	1,520,501	63,457	4%
Access Payments	93,873	75,000	18,873	25%
Other Revenue	12,372	9,167	3,205	35%
Total Operating Rev	2,213,281	2,153,834	59,447	3%
<u>Operating Expenses</u>				
Salaries & Benefits	532,305	554,339	22,034	4%
Overtime	36,564	30,184	(6,380)	-21%
Pension*	202,802	202,802	-	0%
Supplies	62,747	55,782	(6,965)	-12%
Pharmaceutical Supplies	70,695	65,767	(4,928)	-7%
Purch. Svs., Rental, Oth.	233,850	261,421	27,571	11%
External Claims Expense	1,340,051	1,234,835	(105,216)	-9%
Insurance Expense	18,638	21,942	3,304	15%
Depreciation	28,753	27,209	(1,543)	-6%
Utilities	10,675	9,747	(928)	-10%
Total Operating Exp	2,537,080	2,464,029	(73,052)	-3%
Operating Margin	(323,800)	(310,194)	(13,605)	-4%
Operating Margin %	-15%	-14%	0%	-2%
Non Operating Revenue	210,765	210,765	-	0%
Net Income/(Loss)	(113,035)	(99,430)	(13,605)	-14%

Observations

Operating Margin - challenging to budget but drivers to watch vs. same time FY17

- Primary Care visits down 1% while Specialty Care visits up 8%
- Surgical Cases up 5% and slightly above FY 2018 Target
- Inpatient Discharges down 12% and LOS 7% higher
- Emergency Department visits up 1%
- Deliveries down 10%.
- System-wide uninsured numbers, captured by visit held 42% (Provident 34%, ACHN 42%, Stroger 44%)
- System wide Financial /Revenue Cycle ratios are indicating sustained progress
- CountyCare contributed \$170M to CCHHS

Financial Metrics

Metric	As of end Sept- 16/YTD	As of end Sept- 17/YTD	As of end Sept- 18/YTD	Target
Days Cash On Hand**	71	77	44	60*
Operating Margin***	-12.6%	-20.6%	-5.5%	-5.4%
Overtime as Percentage of Gross Salary	8.0%	7.8%	7.4%	5.0%*
Average Age of Plant (Years)	21.1	22.1	24.4	10.7

*Days Cash on Hand - CCHHS target 60 days, Moody's 198 days . Overtime as percentage of Gross Salary – CCHHS target 5% , Moody's 2%

** Days Cash in Hand – Point in time i.e. as of end September for each year

***Excludes Pension Expense-Target based on compare group consisting of 'like' health systems : Alameda Health System, Nebraska Medical Center, Parkland Health & Hospital System, and UI Health

Unaudited Financial Statement

Revenue Cycle – Metrics

Metric	Average FYTD 2018	Sept-18	Oct-18	Benchmark
Average Days in Accounts Receivable <i>(lower is better)</i>	110	94	86	45.85 – 54.9*
Discharged Not Finally Billed Days <i>(lower is better)</i>	8.0	7.0	6.9	NA
Claims Initial Denials Percentage <i>(lower is better)</i>	29%	18%	19%	NA

Definitions:

Average Days in Accounts Receivable: Total accounts receivable over average daily revenue

Discharged Not Finally Billed Days: Total charges of discharge not finally billed over average daily revenue

Claims Initial Denials Percentage: Percentage of claims denied initially compared to total claims submitted.

* Source HFMA Key Hospital Statistics and Ratio Margins – Posted 2014

Unaudited Financial Statement

Full Board : November 2018

System-wide Payer Mix by Visits

